

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101762 / November 26, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-22333

In the Matter of

**LEVEL FIELD CHARTER
PARTNERS, LLC AND
DAVID ENDOM**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS, PURSUANT TO
SECTIONS 15B AND 21C AND RULE
15Bc4-1 OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-
DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15B and 21C and Rule 15Bc4-1 of the Securities Exchange Act of 1934 (“Exchange Act”), against Level Field Charter Partners, LLC (“Level Field”) and David Endom (“Endom”).

II.

In anticipation of the institution of these proceedings, Level Field and Endom (collectively, “Respondents”) have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V as to Endom, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15B and 21C and Rule 15Bc4-1 of the

Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offers, the Commission finds that:

Summary

This matter involves unregistered municipal advisory activity and other improper conduct by Level Field and its co-founding partner, David Endom. From 2019 to 2022, Level Field, through Endom, provided municipal advisory services in connection with six municipal bond issuances for the benefit of four charter schools. These services included providing advice to the charter schools on the structure, timing, and terms of the issuances. During this period, Level Field was not registered as a municipal advisor. In each of its engagement agreements with the charter schools, Level Field represented and warranted that it possessed all licenses, permits and certifications required to perform its obligations under the agreements, and further represented and warranted that it was in full compliance with all applicable laws, rules and regulations. By engaging in municipal advisory activities without registering with the Commission, Level Field willfully¹ violated the registration requirements of Section 15B(a)(1)(B) of the Exchange Act, and Endom caused Level Field’s violation. By failing to disclose material facts related to its registration status to their clients, Level Field and Endom did not deal fairly with their clients in violation of Rule G-17 of the Municipal Securities Rulemaking Board (“MSRB”). By violating MSRB Rule G-17, Level Field and Endom also violated Exchange Act Section 15B(c)(1).

Respondents

1. **Level Field Charter Partners, LLC** is a District of Columbia limited liability company formed in 2017 and located in Washington, DC. Level Field provides consulting services to charter schools, with a specialization in school facilities and project financing.

2. **David Endom**, 49 years old, is a resident of Richmond, Virginia. Endom has been a partner at Level Field since its formation. From January 2017 to October 2017, Endom was a registered representative of a broker-dealer registered with the Commission.

Facts

3. Prior to founding Level Field, Endom served as a vice president at a broker-dealer and focused on mergers and acquisitions advisory services for education and healthcare companies, and as a vice president of an investment bank. Before that, from September 2010 to November

¹ “Willfully,” for purposes of imposing relief under Section 15B and Rule 15Bc4-1 of the Exchange Act “means no more than that the person charged with the duty knows what he is doing.” Wonsover v. SEC, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting Hughes v. SEC, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor “also be aware that he is violating one of the Rules or Acts.” Tager v. SEC, 344 F.2d 5, 8 (2d Cir. 1965).

2014, he was the Director of Financial Planning for a non-profit charter school system in Washington, DC. In October 2017, Endom co-founded Level Field to provide consulting services to charter schools.

4. Level Field's consulting services to charter schools include providing assistance with real estate development and project financing. On certain occasions, Level Field, through Endom, provided its clients with advice regarding the issuance of municipal securities. At issue in this matter is Level Field's and Endom's municipal advisory activity between April 2019 and December 2022 (the "relevant period").

5. Level Field executed four engagement agreements to provide four charter schools with real estate development and project financing support, including in connection with potential municipal bond offerings. As part of these agreements, Level Field represented and warranted that Level Field possessed all licenses, permits and certifications required to perform its obligations under the agreements, and further represented and warranted that Level Field was in full compliance with all applicable laws, rules and regulations.

6. During the relevant period, on certain occasions Level Field and Endom engaged in municipal advisory activity when Endom provided advice to the four charter schools directly, or indirectly through their management organizations, in connection with six municipal bond offerings. The advice that Level Field and Endom provided to the charter schools included: (a) advice on the structure, timing, and terms of the offerings; (b) coordinating the credit rating process; (c) providing information on debt financing structuring options, including the sale of municipal securities; (d) assisting in the selection of other parties to the bond financings, including underwriters, bond counsel, and municipal advisors; (e) advising on current interest rates; (f) participating in the bond pricing process; and (g) making substantive edits to key transaction documents. In two offerings, the charter schools engaged registered municipal advisors that specialized in project debt financing. Notwithstanding the engagement of registered municipal advisors in those two offerings, Level Field did not qualify for any exemptions or exclusions from the municipal advisor registration rules. The four charter schools raised an aggregate amount of approximately \$150 million from the six municipal bond offerings. Level Field charged the four charter schools consulting fees for its services, including its advice on the municipal bond offerings.

7. Endom was aware of the municipal advisor registration requirements, however Level Field never registered with the Commission.

8. Level Field was not registered as a municipal advisor when Level Field and Endom engaged in municipal advisory activity during the relevant period. Although they did not specifically misrepresent that Level Field was a registered municipal advisor, Level Field and Endom did not disclose to their clients that the firm was not a registered municipal advisor, despite being aware of the municipal advisor registration requirements and representing to clients that the firm was properly licensed and in full compliance with all applicable laws.

Violations

9. A municipal advisor includes a financial advisor who provides advice to or on behalf of a municipal entity or obligated person with respect to the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters concerning such issuances. See Exchange Act Section 15B(e)(4)(A) and (B). In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which amended Section 15B of the Exchange Act to provide for the registration and regulation of municipal advisors. The adopting release for the registration rules notes that the municipal advisor registration requirements and regulatory standards were intended to mitigate some of the issues observed with the conduct of some municipal advisors, including “pay to play” practices, undisclosed conflicts of interest, advice rendered by financial advisors without adequate training or qualifications, and failure to place the duty of loyalty to their clients ahead of their own interests. See Registration of Municipal Advisors, Rel. No. 34-70462 (Sept. 20, 2013), 78 Fed. Reg. 67468, 67469 (Nov. 12, 2013). Section 15B(a)(1)(B) of the Exchange Act makes it unlawful for “a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities” without being registered under the Commission’s final municipal advisor rules.

10. MSRB Rule G-17 requires that, in the conduct of its municipal advisory activities, each municipal advisor shall deal fairly with all persons and shall not engage in any deceptive, dishonest, or unfair practice. Negligence is sufficient to establish a violation of MSRB Rule G-17. See In the Matter of Merrill Lynch, Pierce, Fenner & Smith, Inc., Exchange Act Release No. 40352, 1998 WL 518489, at *13 (Aug. 24, 1998).

11. Section 15B(c)(1) of the Exchange Act requires that municipal advisors shall not engage in any act, practice, or course of business that is in contravention of any MSRB rule.

12. By conducting municipal advisory activities when it was not registered as a municipal advisor with the Commission, Level Field willfully violated the registration requirements of Section 15B(a)(1)(B) of the Exchange Act. Endom caused Level Field’s violation of Section 15B(a)(1)(B) of the Exchange Act.

13. By failing to disclose material facts related to its registration status to their clients, Level Field and Endom did not deal fairly with their clients in willful violation of MSRB Rule G-17.

14. By violating MSRB Rule G-17, Level Field and Endom willfully violated Section 15B(c)(1) of the Exchange Act.

Disgorgement

15. The disgorgement and prejudgment interest ordered in paragraph IV.C. below is consistent with equitable principles and does not exceed Level Field’s net profits from its violations, and will be distributed to the four charter schools to the extent feasible. The

Commission will hold funds paid pursuant to paragraph IV.C. in an account at the United States Treasury pending distribution. Upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to the four charter schools, and any amounts returned to the Commission in the future that are infeasible to return to the four charter schools, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Sections 15B and 21C and Rule 15Bc4-1 of the Exchange Act, it is hereby ORDERED that:

A. Respondents shall cease and desist from committing or causing any violations and any future violations of Sections 15B(a)(1)(B) and 15B(c)(1) of the Exchange Act, and MSRB Rule G-17.

B. Respondents are censured.

C. Respondent Level Field shall pay disgorgement of \$25,007.38 and prejudgment interest of \$2,798.94 and a civil penalty of \$75,000 to the Securities and Exchange Commission. Payment shall be made in the following installments:

- i. Within 10 days of the entry of this Order, Respondent Level Field shall pay \$25,701.58 to the Securities and Exchange Commission, of which \$3,125 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act;
- ii. Within 120 days of the entry of this Order, Respondent Level Field shall pay \$25,701.58 to the Securities and Exchange Commission, of which \$3,125 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act;
- iii. Within 240 days of the entry of this Order, Respondent Level Field shall pay \$25,701.58 to the Securities and Exchange Commission, of which \$3,125 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act; and
- iv. Within 360 days of the entry of this Order, Respondent Level Field shall pay \$25,701.58 to the Securities and Exchange Commission, of which \$3,125 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act.

Payments shall be applied first to post-order interest, which accrues pursuant to SEC Rule of Practice 600 and pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, Respondent Level Field shall contact the staff of the Commission for the amount due. If Respondent Level Field fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

D. Respondent Endom shall pay a civil money penalty in the amount of \$40,000 to the Securities and Exchange Commission. Payment shall be made in the following installments:

- i. Within 10 days of the entry of this Order, Respondent Endom shall pay \$10,000 to the Securities and Exchange Commission, of which \$1,666.50 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act;
- ii. Within 120 days of the entry of this Order, Respondent Endom shall pay \$10,000 to the Securities and Exchange Commission, of which \$1,666.50 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act;
- iii. Within 240 days of the entry of this Order, Respondent Endom shall pay \$10,000 to the Securities and Exchange Commission, of which \$1,666.50 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act; and
- iv. Within 360 days of the entry of this Order, Respondent Endom shall pay \$10,000 to the Securities and Exchange Commission, of which \$1,666.50 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act.

Payments shall be applied first to post-order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent Endom shall contact the staff of the Commission for the amount due. If Respondent Endom fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

E. Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Level Field and/or Endom as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to LeeAnn Ghazil Gaunt, Chief, Public Finance Abuse Unit, Division of Enforcement, Securities and Exchange Commission, 33 Arch Street, 23rd Floor, Boston, MA 02110-1424.

F. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, prejudgment interest and penalties referenced in paragraphs IV.C and IV.D above. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent Endom, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Endom under this Order or any other judgment, order, consent

order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent Endom of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary